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SUBJECT: UNDER SECRETARY DOBRIANSKY 'S VISIT TO BRAZIL SPARKS
DISCUSSIONS ON BIOFUELS, HUMAN RIGHTS AND THE ENVIRONMENT

REF: (A) STATE 51101, (B) STATE 51237

SENSITIVE BUT UNCLASSIFIED

11. (SBU) Summary: Under Secretary Dobriansky's visit to Brazil May 16-17, 2007, not only fulfilled the request by President Bush and Brazilian President Lula to elevate the Common Agenda for the Environment (CAE) dialogue, but helped the U.S. Mission in Brazil move forward on a number of key issues. During the Special Session of the CAE, we reached bilateral agreement on the importance of studying the environmental impact of biofuels production, clarified Brazil's concerns about the U.S. initiative Coalition Against Trafficking in Wildlife (CAWT), furthered cooperation on climate change, and presented to Brazil draft letters of cooperation for future bilateral efforts to reduce mercury in the environment. In a meeting with Brazil's Special Secretary for Human Rights, the two countries discussed trilateral cooperation with Guinea Bissau and the Ministerial Meeting of the Community of Democracies. End Summary.

12. (U) Other members of the U.S. delegation who traveled with U/S Dobriansky included Drew Nelson, Special Advisor on Climate Change, Francis Colson, Science and Technology Policy Officer, Douglas Lawrence, Director of the Office of Resources, USDA. Embassy ESTH Counselor Patricia Norman participated, along with Regional HUB Director Jimmy Story and USAID Senior Policy Advisor Eric Stoner. The Brazilian delegation was lead by Ambassador Everton Vieira Vargas, Under Secretary for Political Affairs at Brazil's foreign ministry, his deputy Minister Luiz Alberto Figueiredo Machado, Director of International Affairs at the Ministry for the Environment (MMA) Fernando Lyrio da Silva, Dr. Barbosa Serra, the new appointed director for climate change at MMA, Antonio Simes, Director of the Office of Energy at the foreign ministry and Gilney Amorim Viana, MMA.

13. (U) While in Brasilia, the Under Secretary held a meeting with Brazil's Minister for the Environment Marina Silva. She also led two events hosted by Brazil's Ministry of Foreign Affairs, a Special High-Level Session of the CAE and a Working Session on Human Rights and Democracy.

MEETING WITH ENVIRONMENT MINISTER SILVA

14. (SBU) Under Secretary Dobriansky, accompanied by Ambassador Sobel, other members of the U.S. delegation, ESTH Counselor Norman and USAID Advisor Stoner met with Minister Marina Silva, members of her staff and the Director of the Office of the Environment at the

Foreign Ministry on May 16. Minister Silva explained that 6000 employees of the Ministry's enforcement division, IBAMA, were on strike in opposition to a proposed reorganization. Minister Silva explained that IBAMA's present structure dated back 19 years and the number of hectares of parkland and protected areas it manages had doubled and in some cases tripled since inception. In order to better manage in today's environment, the Minister and President Lula had proposed a reorganization that would divide IBAMA's authorities among the newly created Chico Mendes Institute and other specialized Secretariats. The strike is expected to last until the Brazilian Congress votes.

15. (U) Under Secretary Dobriansky discussed at length the Minister's concerns about CAWT, addressing each in great detail, ending with a renewed invitation for Brazil to join. (Brazil's concerns had been presented on paper to the Department by its Embassy in Washington several weeks prior to this meeting.) Minister Silva expressed support for the concept of CAWT and explained the mechanics of Brazil's own anti-trafficking campaign which is being implemented in partnership with Brazil's foreign ministry. Minister Silva said that her Ministry was predisposed to join CAWT. Under Secretary Dobriansky stated that should it join, Brazil would be welcomed with a rollout and that Minister Silva could speak on these issues alongside of Canada, Chile and India. Post is awaiting an official response to the invitation to join CAWT.

16. (U) Minister Silva spoke briefly on the elements of Brazil's proposal for positive incentives for deforestation efforts, originally presented at the November, 2006, UNEP meeting. Under Secretary Dobriansky suggested a second digital video conference to

SIPDIS

discuss and clarify aspects of Brazil's proposal. On biofuels, both the Minister and Under Secretary agreed to the importance of studying the environmental impact of biofuel production. Minister Silva expressed her negative concerns about moving forward with a

BRASILIA 00001351 002 OF 004

Tropical Forest Conservation Act in Brazil, primarily because the funds would be available only for NGO use.

17. (U) In response to Ambassador Sobel's explanation of the U.S. Global Nuclear Energy Partnership (which promotes the use of nuclear as clean renewable energy,) Minister Silva said Brazil had so many options for renewable energy, she doubted that the move to nuclear would ever be necessary. Under Secretary Dobriansky concluded the meeting by renewing the invitation for Brazil to participate in the UNEP working group on mercury meeting scheduled for the Fall.

WORKING SESSION ON HUMAN RIGHTS AND DEMOCRACY

18. (U) The session was led by Under Secretary Dobriansky and Ambassador Everton Vargas. Also attending was U.S. Embassy Political Officer Aaron Olsa and Minister Ana Lucy Cabral Peterson, Director of the Office of Human Rights and Social Themes at Brazil's Foreign Ministry. Brazil expressed its pleasure with the bilateral agreement to support Guinea Bissau signed during the March 30, 2007, visit of President Lula to the United States. Noting that this was the first such bilateral cooperation in Africa, Ambassador Vargas said there are several areas where the United States and Brazil can work together as multicultural democracies.

19. (U) U/S Dobriansky commended Brazil's work in Guinea Bissau. She pointed out that Mali wants to review the best strategies on poverty eradication, noting that a Brazil-Mali partnership would offer great potential. She also noted that a relationship between Brazil and Liberia would also be useful because of Brazil's experience, stressing issues President Lula put forward previously. She reminded Vargas that the OAS will hold a trans-Atlantic democracy bridge with African countries to discuss democracy, and Brazil's involvement is highly desirable. Vargas said that Africa is a priority in Brazil's foreign policy, and in a recent meeting with African leaders, President Lula said Brazil wants to strengthen its relationships there. He noted, however, that Brazil's human and financial resources are limited because of its lead role in Haiti.

SPECIAL SESSION OF THE CAE

¶10. (U) Both countries welcomed this Special Session of the CAE and the United States pledged to host the next session of the CAE in the United States. Both countries agreed that the CAE should be run at the A/S level with input from the Under Secretary level when necessary. The two countries also pledged to support the technical level working group of the CAE in order to pursue additional areas of cooperation.

BIOFUELS

¶11. (U) Ambassador Vargas opened with a general discussion of the bilateral biofuels partnership and a review of upcoming activities. He gave special emphasis to those activities that fall under the heading of science and technology, such as the group of Brazilian scientists scheduled to visit biofuels research laboratories in the United States in August 2007. The Ambassador said he considered biofuels an important foreign policy issue and cooperation should be accelerated. Under Secretary Dobriansky emphasized the importance of focusing on best practices used to reduce the impact of biofuels production on the environment.

¶12. (SBU) Antonio Simes, head of the foreign ministry's division on energy, said Brazil believes that without sustainable production, a global market for biofuels will never be reality. Simes said Brazil had saved \$US 61 billion over the last ten years by the use of biofuels instead of petroleum and experienced a significant reduction in emissions. Simes repeated the proposal he made to DOE A/S Karsner that the United States and Brazil co-sponsor a study to scientifically document that the use of biofuels reduces emissions. The study should include data from scientists from China, the EU, South Africa and India he concluded.

¶13. (SBU) Reference was made by the Brazilians to negative statements attributed to specific European leaders concerning the conditions under which sugar was produced in Brazil. A discussion ensued as to the best way to address that issue.

¶14. (SBU) Ambassador Vargas spoke about the reaction of Brazil's private sector to the MOU signed by the foreign ministers during the visit of President Bush to Brazil March 8-9, 2007. Generally, the private sector felt that since the tariff on Brazilian exports of

BRASILIA 00001351 003 OF 004

ethanol to the United States remained, the impact of the MOU was diminished. The Ambassador said that if the United States and Brazil hoped in the future to deepen their partnership, there would have to be some movement on the tariff issue.

¶15. (U) The Under Secretary noted that the Global Bioenergy Partnership (GBEP) is addressing the issue of best practices and GHG methodologies and encouraged Brazil to participate in GBEP. The Under Secretary also noted that the USG will host the Washington International Renewable Energy Conference scheduled for March 2008 in Washington, D.C. This Ministerial-level meeting was being viewed as a follow on to those held in Bonn, Germany.

¶16. (U) Ambassador Vargas reiterated an invitation made by President Lula to President Bush during the visit to Camp David (March 31, 2007), inviting President Bush to Brazil's biofuel conference in ¶2008.

¶17. (U) Dr. Douglas Lawrence discussed the impact of biofuels development on various aspects of the agricultural market in the United States. He outlined efforts by the U.S. Department of Agriculture to lessen negative impacts to the environment such as finding better ways to process water, reduce the use of chemicals and examining the phosphorus problem in grains.

CLIMATE CHANGE

¶18. (SBU) The climate change discussions centered around upcoming climate negotiations, the U.S.-Brazil Climate Change Bilateral, and work in the International Civil Aviation Organization (ICAO) to address climate change. Both countries noted their opposition to

the proposed text in the G8 by the Germans which calls for a cap on emissions which would limit climate change to two degrees Celsius. Under Secretary Dobriansky invited Brazil to propose a date for the next meeting of the U.S./Brazil Climate Change Bilateral. Brazil indicated it would look into dates and follow-up shortly.

¶19. (SBU) The Under Secretary also raised the issue of ICAO's work to address greenhouse gas emissions from the aviation sector. Brazil noted its opposition to the EU approach on this issue, and stated they have raised their concerns with the EU. When pressed about whether they would be able to send a letter of opposition to the EU, Brazil indicated it would look into it. Their concerns with the original letter were focused on the "some developing countries" language. Comment: It appears unlikely they will send their own letter without significant prodding from the U.S. and others. End Comment.

¶20. (SBU) The Brazilians again raised their proposal on avoided deforestation and explained it as a template for possible use in other areas. The Brazilians also expressed puzzlement regarding the EU's push to launch a timeline for new negotiations at Bali and how it would fit in the current processes.

SUSTAINABLE DEVELOPMENT

¶21. (SBU) The Brazilians indicated their disappointment with the results from CSD and stated it would like to see a stronger UNEP and a stronger CSD. They will be hosting a meeting next September to discuss how to move forward on global governance in a way that does not continue the polarization of the French proposal for a World Environment Organization.

MERCURY

¶22. (U) Under Secretary Dobriansky stated that UNEP would be convening a mercury working group later this year and stated that the United States would participate. Referring to the bilateral relationship, she said that the United States and Brazil had been working informally in a technical collaboration to reduce the use and emissions of mercury from various sectors in Brazil. The Under Secretary offered to the Brazilians a draft letter of cooperation to

SIPDIS

formalize future cooperation in this area under the Technical Working Group of the CAE. Brazil agreed to have their experts at the review the letter.

CAWT

¶23. (U) Under Secretary Dobriansky stated that the United States welcomed the GoB comments on CAWT during a previous meeting with Environment Minister Marina Silva and interpreted the Minister's

BRASILIA 00001351 004 OF 004

comments as indicating that the GoB was prepared to become a member. Ambassador Vargas said that the foreign ministry would consult with their colleagues at the Ministry of the Environment and communicate with the United States at a later date relative to GoB membership.

¶24. (U) Ambassador Vargas formally stated that this and future U.S.-Brazil Common Agenda for the Environment meetings would be lead at the Under Secretary level but the work could be handled at the Assistant Secretary or Office Director level, with political guidance from the Under Secretaries. Under Secretary Dobriansky agreed and stated that the United States would host the next CAE, date to be communicated through the U.S. Embassy in Brasilia.

¶25. (U) This cable was cleared by U/S Dobriansky's delegation prior to transmission.

SOBEL